

EXHIBIT F

(The Short Term Incentive Program Presentation)



Turnaround Incentive Program

September 30, 2008



Overview

Leadership is refining and realigning our business, financial and compensation plans.

- **Business Plan:** We are refining our turnaround plan.
- **Financial Plan:** We have partnered with the Board to revise the way we measure second half performance and will use the revised financial plan for our short term incentive plans.
- **Compensation Programs:** We have reviewed and modified many of our programs to ensure they encourage performance and align with our business and financial plans.



Overview

~~Recent changes to our compensation programs complement the changes we are now making.~~

- **April:** We delivered merit increases to Directors and below.
- **March – September:** We finalized the Field Compensation Structure and approximately 2,800 associates received base salary increases.
- **Summer:** We provided increases to approximately 800 associates at Director level and below, at SSC and in the Field, to address competitiveness while taking into consideration performance.
- **Summer:** We removed manager level positions from long-term incentive awards. After taking into consideration market data and performance, the change for many was offset with base salary increases.
- **Summer:** We introduced the HE Incentive plan to all of our stores. Thousands of associates now participate in an incentive plan with significant upside. For the best performers, it provides the ability to double their pay.
- **September:** We modified the Call Center incentive plans creating significant upside for top revenue and attachment producers.



Overview

Additional Changes to our compensation programs as of September 29, 2008.

- **Short Term Incentive Plans**
 - **New Criteria/Financial Targets:** We modified performance criteria and targets for most Management, Retail, The City and Services incentive plans.
 - The changes to the Retail and The City incentive plans have already been communicated so the focus of this document will be on the SSC plan changes and how they have been aligned to support the Stores through the Holiday Season.
- **Long Term Incentive (LTI) Plan**
 - **Earlier Delivery:** We will deliver earlier to help align the team with the turnaround plan.
 - **VP, RVP, District Manager and Director level:** Include in a Long-Term Performance-Based Cash Plan vesting over a 21-month period.



Short Term Incentive Plan – EVP/SVP Plan

Prior plan:

	Performance Criteria
EVP/SVP Plan	100% EBT as a % of Revenue

Revised plan:

	Performance Criteria
EVP/SVP Plan	50% EBITDA 50% Minimum Availability

Minimum Availability:

- Considered earned and payable as of February 28, 2009 if the Company has Minimum Availability under its then current credit facilities.
- This basically assesses whether we are successfully executing the turnaround plan.
- 100% payout for achieving the Minimum Availability terms. 0% payout for failing to successfully execute.



Short Term Incentive Plan – VP and Below Plan

Prior plan:

	Performance Criteria
VP and Below Plan	50% EBT as a % of Revenue 50% Individual Performance

Revise plan:

	Performance Criteria
VP and Below Plan	50% 2-3 Team Measures Divided Equally 50% Individual Performance

50% of payout based on 2-3 team specific measures

- Measures vary by team and will have a significant impact on delivering EBITDA results and supporting the Stores through the Holiday Season.
- Payout will be based on partial year performance. Achieving the revised business plan target, associated with each of the measures, will translate to a 75% payout.

50% based on individual performance

- We have maintained the same payout levels based on performance rating: 0% for a 1 or 2 rating, 100% for a 3 rating, 110% for a 4 rating and 120% for a 5 rating.
- You will have a chance in October to calibrate your objectives with the revised business plan.
- Recalibration must be in the PE system by October 31, 2008. Otherwise your payout may be calculated using your original objectives.



VP and Below Plan: Measures by Team

Your cost center/department as defined in Peoplesoft (which is aligned with the financial planning and analysis systems) will determine which group you participate in below. There are a few departments where the mix of associates may fall into multiple groups. In these cases all associates in the department will be paid as one group based on how the Senior Executive assigned the group...if there is a discrepancy the department will default to participating in the Support Function plan.

Retail, The City, Multi-Channel and Services Teams

Company Gross Margin \$

Company Expense Reduction

Merchandising Team

Company Gross Margin \$

Payable Days

In Stock

Supply Chain and Inventory Team

Company Gross Margin \$

Company Reduction in At Risk and Distressed Inventory

In Stock

Support Functions

Includes HR/IT/Legal/Marketing/Finance/Procurement/Internal Communications/Real Estate/Construction/Business Transformation/Asset Protection/Distribution

EBITDA

Company Expense Reduction



EBITDA Incentive Grid

Domestic results for October through February.

% Payout	EBITDA
25%	Below Business Plan
50%	Below Business Plan
75%	Revised Business Plan
100%	Above Business Plan
125%	Above Business Plan

- All material unbudgeted events will be included or excluded at the discretion and approval of the Compensation Committee. This includes material one-time or non-recurring events (e.g. sale of Intertan) or material charges (e.g. restructure charge). A change or benefit is deemed to be a material nonrecurring event if it is classified as a discontinued operation or characterized as such in filings with the SEC or if the event would significantly alter the incentive payout calculation. Store openings/closings will be budgeted in accordance with the Real Estate Plan. Variances created by more/less openings/closings than planned may be adjusted so that they will not affect the payout.



Company Gross Margin \$

* Targets are in the process of being reviewed with the Committee to ensure calibration with the final revised business plan. We will provide detailed incentive grids as early as next week when we communicate plan documents.

% Payout	Company Gross Margin \$
25%	Below Business Plan
50%	Below Business Plan
75%	Revised Business Plan
100%	Above Business Plan
125%	Above Business Plan

Domestic Segment Gross Margin \$ from Continuing Operations for the 5 month period from October - February FY09 excluding one-time or impairment charges, as reported by financial reporting.



Company Expense Reduction

* Targets are in the process of being reviewed with the Committee to ensure calibration with the final revised business plan. We will provide detailed incentive grids as early as next week when we communicate plan documents.

% Payout	Company Expense Reduction
25%	Below Business Plan
50%	Below Business Plan
75%	Revised Business Plan
100%	Above Business Plan
125%	Above Business Plan

Domestic Segment SG&A Expense \$ from Continuing Operations for the 5 month period from October - February FY09 excluding one-time or impairment charges, as reported by financial reporting.



In Stock

* Targets are in the process of being reviewed with the Committee to ensure calibration with the final revised business plan. We will provide detailed incentive grids as early as next week when we communicate plan documents.

% Payout	In Stock
25%	Below Business Plan
50%	Below Business Plan
75%	Revised Business Plan
100%	Above Business Plan
125%	Above Business Plan

- Average In Stock Goals for October – February: 93.2%
- All calculations based on Base In Stock
- Base In Stock is defined as :
Actual Display Units >= POG Display Units and
Total CB On-Hand Units >= 1 Sellable Closed Box Unit



At Risk/Distressed Inventory

* Targets are in the process of being reviewed with the Committee to ensure calibration with the final revised business plan. We will provide detailed incentive grids as early as next week when we communicate plan documents.

% Payout	At Risk/Distressed Inventory
25%	Below Business Plan
50%	Below Business Plan
75%	Revised Business Plan
100%	Above Business Plan
125%	Above Business Plan

- At Risk/Distressed Inventory defined as On Planogram Not Replenished or Not on Planogram Not Replenished.
- Average Attainment Goal \$\$\$ are based on five months of Planned At Risk/Distressed inventory levels divided by the attainment Range % in the following grid.
- Actual Data extracted from EDW inventory tables



Payable Days

* Targets are in the process of being reviewed with the Committee to ensure calibration with the final revised business plan. We will provide detailed incentive grids as early as next week when we communicate plan documents.

% Payout	Payable Days
25%	Below Business Plan
50%	Below Business Plan
75%	Revised Business Plan
100%	Above Business Plan
125%	Above Business Plan

Domestic Merchandise Days Payables excluding one-time or impairment charges as calculated below:

$$\left[\begin{array}{l} \text{Average of BOP \& EOP MP} \\ \text{-----} \\ \text{Domestic COGS for period} \end{array} \right] \times \# \text{ of Days}$$



Short Term Incentive Plan – Retail/The City/Services

- Changes to the Retail, The City and the Services Incentive Plans have already been made and were communicated last week. Changes are effective October 1, 2008.
- The RVP plan was modified to replace EBT as a % of Revenue with Gross Margin \$. Gross Margin \$ will be based on Region performance.
- The threshold performance levels have been reduced so that payouts begin at 80% attainment instead of 90% for Sales Revenue, Gross Margin and Net Operating Profit measures.
- All payouts are being calculated based on targets from the revised business plan, which creates more attainable and aspirational goals.



Long Term Incentive Plan – LT Cash Plan VPs, RVPS, District Managers and Directors

- A long-term cash plan, with performance vesting and the potential to earn up to 200% of the target amount based on achievements above targeted performance. The grant vests between now and 7/1/2010.
- A September 29, 2008 grant similar to past grant practices. This plan does not require shareholder approval.

	CCS Count	InterTAN Count	Target LT Value
VP and RVP (Levels L13 and L14)	52	3	\$135,000
SSC Director (Levels L10-L12) and Field Positions (Levels S14-S15)	263	13	\$40,000

- Vesting and performance measures
 - 1/3 vesting on July 1, 2009 – earned as far as vesting as of February 28, 2009 if the Company has Minimum Availability under its then current credit facilities (as such existing or new credit facilities have been amended, modified, superseded and supplements as of February 28, 2009). In other words, the first third of the award will be paid for successfully executing the turnaround plan.
 - 1/3 vesting on January 1, 2010 – total shareholder return based upon the increase in stock price from the grant date.
 - 1/3 vesting on July 1, 2010 – total shareholder return based upon the increase in stock price from the grant date.
- Future new hires and promotions will receive prorated grants.
- The next annual award for this group is targeted for May 1, 2010.



Long-Term Cash Plan – Director Example

Performance Period	10/1/2008 – 7/1/2009	10/1/2008 – 1/1/2010	10/1/2008 – 7/1/2010	Total
Target Payout \$ ⁽¹⁾	\$13,333	\$13,333	\$13,333	\$40,000
Max Payout \$	\$13,333	\$33,333	\$33,333	\$80,000
Performance Measure	Milestones: • Minimum Availability	Total Shareholder Return (TSR) ⁽²⁾	Total Shareholder Return (TSR) ⁽²⁾	
Payout Matrix ⁽³⁾	Successful completion = 100% payout	\$3 (100% TSR) – 75% payout \$4 (167% TSR) – 100% payout \$5 (233% TSR) – 125% payout \$6 (300% TSR) – 175% payout \$7 (367% TSR) – 200% payout \$8 (433% TSR) – 225% payout \$9 (500% TSR) – 250% payout	\$4 (167% TSR) – 75% payout \$5 (233% TSR) – 100% payout \$6 (300% TSR) – 125% payout \$7 (367% TSR) – 175% payout \$8 (433% TSR) – 200% payout \$9 (500% TSR) – 225% payout \$10 (567% TSR) – 250% payout	

(1) Payout amounts not earned can be made-up during future vesting periods. Make-up amounts cannot exceed targeted amounts for the period missed (i.e. no upside can be applied to unearned amounts).

(2) TSR calculation is based off the percentage increase in share price from the date of award (10/1/08) to the date of vest. For purposes of the payout matrix, it is assumed that the share price on the grant date is \$1.50.

(3) The payout levels in the final vesting period may need to be assessed for modification depending on the share price at the 2nd vest on 1/1/2010.



Long-Term Cash Plan – VP Example

Performance Period	10/1/2008 – 7/1/2009	10/1/2008 – 1/1/2010	10/1/2008 – 7/1/2010	Total
Target Payout \$ ⁽¹⁾	\$45,000	\$45,000	\$45,000	\$135,000
Max Payout \$	\$45,000	\$112,500	\$112,500	\$270,000
Performance Measure	Milestones: • Minimum Availability	Total Shareholder Return (TSR) ⁽²⁾	Total Shareholder Return (TSR) ⁽²⁾	
Payout Matrix ⁽³⁾	Successful completion = 100% payout	\$3 (100% TSR) – 75% payout \$4 (167% TSR) – 100% payout \$5 (233% TSR) – 125% payout \$6 (300% TSR) – 175% payout \$7 (367% TSR) – 200% payout \$8 (433% TSR) – 225% payout \$9 (500% TSR) – 250% payout	\$4 (167% TSR) – 75% payout \$5 (233% TSR) – 100% payout \$6 (300% TSR) – 125% payout \$7 (367% TSR) – 175% payout \$8 (433% TSR) – 200% payout \$9 (500% TSR) – 225% payout \$10 (567% TSR) – 250% payout	

- (1) Payout amounts not earned can be made-up during future vesting periods. Make-up amounts cannot exceed targeted amounts for the period missed (i.e. no upside can be applied to unearned amounts).
- (2) TSR calculation is based off the percentage increase in share price from the date of award (10/1/08) to the date of vest. For purposes of the payout matrix, it is assumed that the share price on the grant date is \$1.50.
- (3) The payout levels in the final vesting period may need to be assessed for modification depending on the share price at the 2nd vest on 1/1/2010.



Short & Long-Term Compensation Calendar VP & Director Levels

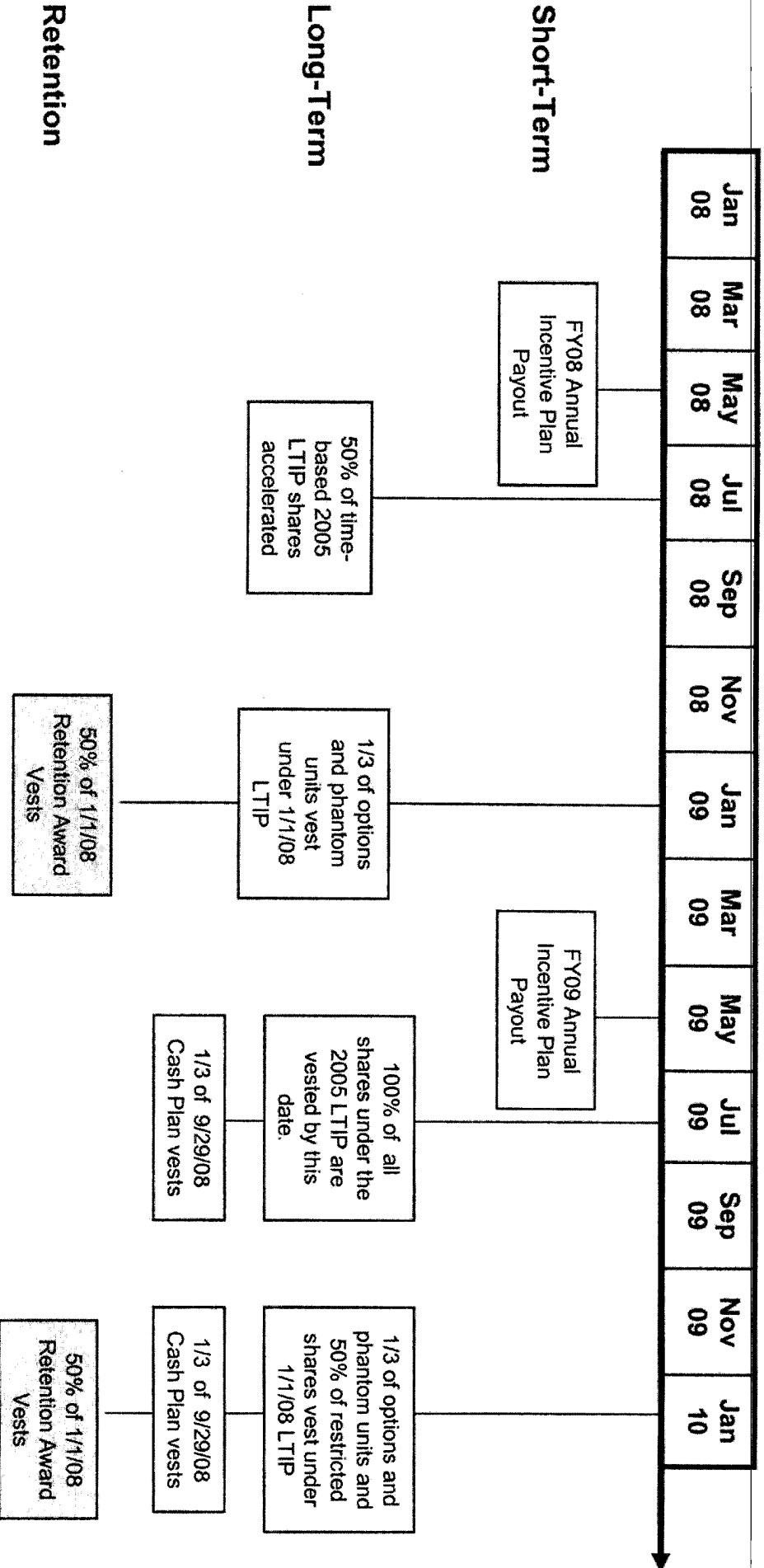


EXHIBIT G

(Chairman's Award Program Sample Letter)

Chairman's Award Letter



Circuit City Stores, Inc.
Retail Merchandise
Department 44-10130

July 22, 2008

Dear [REDACTED]

Congratulations on receiving a Chairman's Award for 2008. The purpose of the Chairman's Award is to recognize and reward associates who create sustainable, lasting value by way of process improvements, significant cost reductions, or revenue generation. This annual award recognizes a select group of associates who drive significant change in the organization that not only supports our strategic architecture but also brings it to life. You have proven through your significant contributions that you truly live our values and have delivered excellent results. To accept this Award, please sign this letter, and return it as indicated in paragraph 6 below.

Subject to the requirements and limitations set forth in this Award letter, your Award, Award Date, and Vesting Dates are as follows:

Total Cash Award:

Award Date:

July 1, 2008

Vesting Dates

Vesting %

July 1, 2009

50%

July 1, 2010

50%

For purposes of this Award letter, "Company" means Circuit City Stores, Inc. or a parent or subsidiary of Circuit City Stores, Inc. within the meaning of section 424(e) and (f) of the Internal Revenue Code of 1986, as amended.

Your right to receive the portion of your Award corresponding to the above Vesting Dates is contingent on (i) your agreeing to the terms of this Award by signing and returning the enclosed copy of this letter, and (ii) your remaining continuously employed on a full-time active basis with the Company through and including the corresponding Vesting Date. If you satisfy these requirements, the portion of your Award that becomes vested will be paid to you in a single lump sum cash payment within 75 days following the Vesting Date. Your right to this Award is not contingent on corporate or individual performance.

* **Forfeiture** If prior to becoming fully vested in your Award, (i) your employment with the Company terminates for any reason other than your death or permanent disability, or (ii) your employment status with the Company changes to part-time, or (iii) you retire from the Company, then the unvested portion of your Award will be forfeited as of the date of your termination, change in status, or retirement, as the case may be.

If your employment with the Company terminates on or before a Vesting Date because you die or become permanently disabled, then the portion of your Award scheduled to vest on such Vesting Date will vest as of the date of your death or termination for disability (assuming you otherwise meet the requirements under this Award letter), and any portion of your Award that would have vested on a subsequent Vesting Date will be forfeited. For example, if your employment terminates as a result of your death or disability on or before July 1, 2009, the portion of your Award scheduled to vest on July 1, 2009 will vest, and any portion that would have vested on July 1, 2010 will be forfeited. The Company will determine whether a permanent disability exists for purposes of the foregoing, and such determination will be conclusive and binding.

Other terms relevant to this Award letter are set forth below.

1. **Modification.** The Company may unilaterally modify the terms of this Award letter after the Award Date provided that your consent is obtained with respect to any modification that would be detrimental to your rights hereunder, except that your consent will not be required to the extent any such modification is to comply with applicable law.

2. **Change of Control** If you remain continuously employed on a full-time active basis with the Company through and including the date on which a Change of Control of the Company occurs, then notwithstanding any provision herein to the contrary, any restrictions hereunder on your outstanding Award shall lapse as of such date. For this purpose, "Change of Control" has the meaning set forth in the Circuit City Stores, Inc. 2003 Stock Incentive Plan, as amended and restated, effective December 14, 2006 (the "2003 Stock Plan"), and that definition is incorporated by reference into, and made a part of, this Award letter.

The following provides a brief summary of the definition of Change of Control under the 2003 Stock Plan. This is intended only as a summary, and any determination of whether a Change of Control has actually occurred will be subject to the full definition set forth in the 2003 Stock Plan. In general, a Change of Control would occur upon any of the following events: (i) a third party acquires 35% or more of the Company's outstanding stock; (ii) the incumbent members of the Company's Board of Directors cease to be a majority of the Board (for this purpose, "incumbent members" includes directors whose election was approved by a majority of the Board); (iii) a reorganization, merger or consolidation of the Company or sale or other disposition of all or substantially all of the assets of the Company; or (iv) the consummation of a plan of complete liquidation or dissolution of the Company.

3. **Withholding Taxes.** On the Vesting Date, you will have taxable income equal to the amount of your vested Award, and the Company will withhold the amount of taxes required to be withheld or paid.

4. **Interpretation.** The interpretation and construction of any provision or term of this Award letter by the Company will be final and conclusive. The terms of this Award letter and all actions taken hereunder will be governed by the laws of the Commonwealth of Virginia, without regard to the conflict of law provisions of any jurisdiction.

5. Miscellaneous

a. This Award letter is the entire agreement between you and the Company concerning the Award granted hereunder. If you are a party to an Employment Agreement with the Company, you agree that in the case of a conflict between the Employment Agreement and this Award letter, the terms of this Award letter will control.

b. Nothing in this Award letter confers any right to continued employment with the Company, or affects the Company's right to terminate an associate's employment at any time, with or without notice, and with or without cause.

c. The Company has no obligation to contribute any assets to a trust or other entity or otherwise to segregate any assets, or maintain separate accounts for the purpose of satisfying the Award obligation hereunder.

6. Acceptance of this Award. In order for your Award to become effective, you must accept it by signing and faxing a copy of this entire letter as soon as possible, but in no event later than August 1, 2008 to 757-299-8412.


Your signature will also constitute your agreement to the terms and conditions contained in this letter.

Sincerely,



Eric A. Jonas, Jr.
Senior Vice President
Human Resources

ACCEPTED:


Associate Signature


Printed Name

7/22/08
Date

EXHIBIT H

(Phantom Stock Program Sample Letter)



Circuit City Stores, Inc.
10000 North Central Expressway
Baltimore, MD 21244-0001

January 3, 2008

Dear [REDACTED]:

Circuit City Stores, Inc. (the "Company") would like to support our director-level associates through a "phantom stock" award program that provides an incentive to work for the Company's long-term success. A phantom stock award generally consists of units, each with a value equivalent to one share of a company's stock, which is paid out at the end of a specified time period.

I am pleased to inform you that, effective January 1, 2008, you have been awarded the following phantom stock units, each with a value equal to one share of Circuit City Common Stock, which will be payable in cash upon vesting:

Number of Units: [REDACTED]

Your award is subject to the conditions set forth in this letter and to your signing and returning the enclosed copy of this letter as instructed further below.

This long-term incentive is a three-year program, with vesting at the end of each of the first, second, and third years. If you remain continuously employed by the Company in a full-time active position from January 1, 2008 through and including:

- January 1, 2009, you will be 33.3% vested in your award and entitled to an initial cash payment equal to 33.3% of the total units awarded hereunder multiplied by the closing share price of Circuit City Common Stock on December 31, 2008;
- January 1, 2010, you will be 66.6% vested in your award and entitled to a second cash payment equal to 33.3% of the total units awarded hereunder multiplied by the closing share price of Circuit City Common Stock on December 31, 2009;
- January 1, 2011, you will be 100% vested in your award and entitled to a third cash payment equal to 33.4% of the total units awarded hereunder multiplied by the closing share price of Circuit City Common Stock on December 31, 2010.

Units that vest will be paid out in cash following the end of the corresponding vesting period. The vesting of all or part of a phantom stock award is a taxable event. Accordingly, upon distribution of each payment, the Company will withhold applicable federal, state, and local taxes from this payment.

If your active employment with the Company is terminated for any reason on or before a vesting date, or if you move to a part-time position on or before the vesting date, then the portion of your award that has not yet vested will be forfeited immediately upon the termination of your employment or upon your change to part-time status.

In the event of a stock split or combination of shares, or other such change in the Company's capital stock, without the receipt of consideration by the Company, the number of phantom stock units awarded hereunder will be adjusted accordingly.

If you remain continuously employed in a full-time active position with the Company through and including the date on which a "Change of Control" of the Company occurs, then any portion of your award that has not yet vested will vest as of such Change of Control date. For this purpose, "Change of Control" has the meaning set forth in the Circuit City Stores, Inc. 2003 Stock Incentive Plan, as amended and restated, effective December 14, 2006, and that definition is incorporated by reference into, and made a part of, this Award letter. Generally, a Change of Control will be deemed to occur upon any of the following events: (i) the acquisition by any person or entity of 35% or more of either the Company's outstanding shares or the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (but excluding certain acquisitions involving the Company or an affiliate, or by any benefit plan sponsored by the Company); (ii) the incumbent members of the Board of Directors of the Company (including any future directors whose election is approved by a majority of the incumbent members) cease to constitute a majority of the Board of Directors; (iii) the consummation of a reorganization, merger or consolidation of the Company or sale or other disposition of all or substantially all of the assets of the Company (with certain exceptions, as described in the 2003 Stock Incentive Plan); or (iv) the consummation of a plan of complete liquidation, dissolution, or sale of substantially all the assets of the Company.

Nothing in this letter confers any right to continued employment with the Company or affects the Company's right to terminate your employment at any time, with or without notice, and with or without cause.

You may not sell, give away or otherwise transfer any of your units. Additionally, phantom stock units are not actual shares of stock and do not confer on you any rights as a shareholder of the Company. Consequently, you will not have the right to vote or receive dividends on the units.

In order for your award to become effective, you must accept it by signing and faxing a copy of this entire letter as soon as possible, but in no event later than February 1, 2008, to 757-299-8412. Your signature will also constitute your agreement to the terms and conditions contained in this letter.

With this award, we express our confidence in your ability to help shape a Circuit City that will benefit our associates, our customers, and our shareholders for years to come.


Sincerely,



Eric A. Jonas, Jr.
Senior Vice President
Human Resources

ACCEPTED:


Associate Signature


Printed Name

Date

• 29 | 08

EXHIBIT I

(Restricted Stock Program Sample Letter)



Circuit City Stores, Inc.
9954 Mayland Drive
Richmond, VA 23233-1464
T 804.527.4000

March 1, 2007

[REDACTED]

Dear [REDACTED]

This letter is to notify you that, effective March 1, 2007, the Compensation and Personnel Committee (the "Committee") of the Board of Directors awarded you a Restricted Stock Award under the 2003 Stock Incentive Plan, as amended and restated (the "Plan"). The purpose of this discretionary award is to reward, motivate and retain key management personnel. Your award reflects the belief of the Committee and the Board of Directors that you are a key contributor to Circuit City's success. Subject to the requirements and limitations set forth in this letter, your award is for the following number of shares and vests on the following date:

No. of Shares of Restricted Stock Granted: [REDACTED]

Grant Date: March 1, 2007

On July 1, 2009, 100% of the total shares granted shall vest.

This award is not contingent upon either corporate performance or your own. However, the value of your award rises directly and fully with the market price of our stock. The better we all perform, the more the stock will likely be worth.

The concept of Restricted Stock is simple. After you sign and return this letter, your shares will be held in escrow for you by the Restricted Stock Custodian named below until the vesting date. You may not sell, give away, pledge or otherwise transfer any of your Restricted Stock before the vesting date. However, you will have all of the other rights of a shareholder during the period until the vesting date, including the right to vote and receive dividends.

If you are still employed on a full-time active basis by the Company on the vesting date, your shares will be released from escrow and the stock will be freely tradable, subject to applicable securities law restrictions.

If your employment with the Company terminates before the vesting date because you die or become disabled, any restrictions on outstanding Restricted Stock as set forth in this award agreement shall lapse and the shares will vest as of the date of your death or disability.

If your employment with the Company terminates before the vesting date for reasons other than your death or disability, if you change to a part-time status or if you retire from the Company, your Restricted Stock will be forfeited as of your termination date, retirement or change in status date, whichever is applicable.

Other details about your award are:

1. **Restricted Stock Custodian.** The Restricted Stock Custodian is Wells Fargo Shareowners Services. If you need to contact the Restricted Stock Custodian at any time while your shares are in escrow, you may do so by writing to the Restricted Stock Custodian at the following address. The Company may change the Restricted Stock Custodian before your vesting date. If so, you will be informed of the new Restricted Stock Custodian and its address.

Wells Fargo Shareowners Services
Stock Transfer
161 North Concord Exchange
South St. Paul, MN 55075-1139

2. **Rights as a Shareholder.** While your shares are being held by the Restricted Stock Custodian, you will have voting and dividend rights. However, you will receive your dividends through the Restricted Stock Custodian and deliver your voting instructions to the Restricted Stock Custodian who will vote the shares for you. If the Restricted Stock Custodian does not receive your voting instructions at least three days before a shareholders' meeting, your shares will not be voted.

3. **Change of Control.** If you are a full-time employee on a Change of Control of the Company, notwithstanding any provision hereof to the contrary, any restrictions on outstanding Restricted Stock as set forth in this award agreement shall lapse.

4. **Withholding Taxes.** On the vesting date, you will have taxable income equal to the then current market value of the shares. The Company has the right to withhold the number of shares having an aggregate Fair Market Value equal to the amount of taxes required to be withheld or paid.

5. **Miscellaneous.**

a. This grant of Restricted Stock is not transferable by you except by will or by the laws of descent and distribution.

b. The terms of this agreement shall be governed by the laws of Virginia, without regard to the conflict of law provisions of any jurisdiction.

c. The Restricted Stock Award is granted pursuant to the Plan. The terms of the Plan are incorporated into this agreement and in the case of a conflict between the Plan and this agreement, the terms of the Plan shall control. Unless otherwise defined herein, all capitalized terms have the meanings given to them in the Plan.

d. As described in the Plan, in the event of certain corporate transactions or other actions or events, the Committee may take such actions with respect to the Award as it deems appropriate and consistent with the Plan.

e. This award letter is the entire agreement between you and the Company concerning the shares of restricted stock awarded pursuant to this letter. If you are a party to an